

ASX Release

Acquisition of a 14.8% strategic interest in HPI by CHC and CQR

28 March 2024

Charter Hall Limited
ACN 113 531 150
Charter Hall
Funds Management Limited
ABN 31 082 991 786
Charter Hall
Retail Management Limited
ACN 069 709 468

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704
Sydney NSW 2001
T +61 2 8651 9000
www.charterhall.com.au

Charter Hall Group (**ASX: CHC**) (**Charter Hall**) and Charter Hall Retail REIT (**ASX: CQR**) today announce that they have equally funded a JV Trust which has acquired a 14.8% strategic stake in Hotel Property Investments Ltd (**ASX: HPI**) (**HPI**) for total consideration of \$97 million, equivalent to \$3.35 per HPI security, becoming the largest securityholder in HPI.

Funding of the acquisition by CHC was from cash reserves and for CQR from cash proceeds generated from recent divestments previously announced.

HPI owns a portfolio of 57 Australian convenience hotel properties, predominantly located on the eastern seaboard and leased to the Queensland Venue Company¹ and Australian Venue Company.

HPI's assets are complementary to CHC and CQR's portfolio of convenience net lease retail assets and the acquisition is consistent with CQR's strategy to redeploy proceeds from recent shopping centre divestments to increase its focus on net lease convenience retail assets.

The Charter Hall platform is the leading owner of convenience net lease retail assets in Australia with over \$10 billion of assets across its property funds management platform, the majority of which have inflation-linked annual rent reviews.

Based on HPI's distribution guidance provided on 15 February 2024, the investment in HPI reflects an annualised FY24 distribution yield of 5.7% and a 15% discount to HPI's last published NTA per stapled security.

The attached substantial holder notice has been lodged in relation to CHC and CQR's combined total security holding in HPI.

Both CQR and CHC reaffirm their previously announced EPS guidance for FY24.

Announcement Authorised by the Chairs of Charter Hall Limited, Charter Hall Funds Management Limited, and Charter Hall Retail Management Limited

¹ Queensland Venue Company (QVC) is a joint venture between Coles Limited and Australian Venue Company.

Charter Hall Group (ASX: [CHC](#)) and Charter Hall Retail REIT (ASX: [CQR](#))

Charter Hall is one of Australia's leading fully integrated property investment and funds management groups. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities grow.

Charter Hall Retail REIT is managed by Charter Hall Group and is the leading owner of property leased to convenience retailers.

For further enquiries, please contact

David Harrison
Managing Director and Group CEO
Charter Hall
david.harrison@charterhall.com.au

Ben Ellis
Retail CEO
Charter Hall Retail REIT
ben.ellis@charterhall.com.au

For media enquiries, please contact

Megan Moore
Senior Communications & Media Manager
Charter Hall
T + 61 434 225 643
megan.moore@charterhall.com.au

For investor enquiries, please contact

Philip Cheetham
Head of Listed Investor Relations
Charter Hall
T +61 403 839 155
philip.cheetham@charterhall.com.au

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Form 603

Corporations Act 2001

Section 671B

Notice of initial substantial holder

To Company Name/Scheme Hotel Property Investments (ASX:HPI)
ACN/ARSN Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515)

1. Details of substantial holder (1) Charter Hall Limited ACN 113 531 150 (and its related bodies corporate)
Name
ACN/ARSN (if applicable)
27 March 2024

The holder became a substantial holder on (d/m/y)

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid stapled securities comprising a unit in the Hotel Property Investments Trust and a share in Hotel Property Investments Limited (Stapled Securities)	34,951,863	34,951,863	17.91%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of the Charter Hall Investment Trust (CH Investment Trust)	Relevant interest under s608(1) of the Corporations Act pursuant to the acquisition of HPI stapled securities by way of a special crossing.	28,931,863 fully paid ordinary securities
Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of Charter Hall DV AREIT Partnership (DVAP)	Relevant interest under s608(1) of the Corporations Act. The assets of DVAP include HPI stapled securities.	4,050,000 fully paid ordinary securities
Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of Charter Hall DV AREIT Partnership No. 3 (DVAP3)	Relevant interest under s608(1) of the Corporations Act. The assets of DVAP3 include HPI stapled securities.	500,000 fully paid ordinary securities
Charter Hall Property Securities Management Limited (ABN 25 104 512 978) as trustee of Charter Hall Maxim Property Securities Fund (Maxim)	Relevant interest under s608(3) of the Corporations Act. The assets of the Charter Hall Maxim Property Securities Fund (ABN 49 004 213 454), managed by Charter Hall Property Securities Management Limited (ACN 104 512 978) include HPI stapled securities.	1,470,000 fully paid ordinary securities

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4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
CH Investment Trust	Charter Hall Wholesale Management Limited	Charter Hall Wholesale Management Limited	28,931,863 fully paid ordinary securities
DVAP	Charter Hall Wholesale Management Limited	Charter Hall Wholesale Management Limited	4,050,000 fully paid ordinary securities
DVAP3	Charter Hall Wholesale Management Limited	Charter Hall Wholesale Management Limited	500,000 fully paid ordinary securities
Maxim	One Managed Investment Funds Limited	One Managed Investment Funds Limited as responsible entity of the Charter Hall Maxim Property Securities Fund	1,470,000 fully paid ordinary securities

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition (d/m/y)	Consideration (9)		Class and number of securities
		Cash	Non-cash	
CH Investment Trust	27 March 2024	\$96,921,741 (\$3.35 per stapled security)	N/A	28,931,863

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Charter Hall Limited	Level 20, No.1 Martin Place, Sydney, NSW, 2000

Signature

print name MARK BRYANT (Secretary, Charter Hall Limited)

sign here



28 March 2024

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